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Men Charged with Securities Violations

The Utah Division of Securities with the Attorney General's Office announced that Alfred J. Fichera, Jr. of Texas was charged with three third-degree felony counts of securities fraud, one third degree felony count of sale of an unregistered security and one third-degree felony count of employing an unlicensed agent. Brian Hazelgren of Salt Lake City was also charged with one second-degree felony count of securities fraud, one-third degree felony count of sale of an unregistered security and one third-degree felony count of employing an unlicensed agent. All charges were filed on March 26, 2003 in Salt Lake Third District Court.

The State alleges Fichera offered and sold an investment in Salt Lake Capital to two Utah residents. Salt Lake Capital purported to lend capital to various companies in exchange for an ownership position with the borrowers. Hazelgren was charged in connection with arranging a multi-million dollar loan through Salt Lake Capital and negotiating a stock merger.

The State alleges Fichera and Hazelgren claimed Salt Lake Capital was a merchant bank while records of the Department of Financial Institutions for the State of Utah revealed Salt Lake Capital was not a financial institution nor affiliated with a financial institution in any state. The state also alleges Hazelgren claimed there was \$50 million dollars in the Salt Lake Capital fund while bank records revealed the fund had \$269,000 in deposits. In addition, investors were provided documents stating all investment funds would be held in a segregated account until six units of Salt Lake Capital at \$100,000 were sold. The State alleges investors' funds were not held and disbursed from the account.

The State also alleges Fichera failed to provide adequate disclosures to investors such as: how investor funds would be used, judgments and litigation involving the officers, commissions paid related to selling the investment and audited financials of the company. A portion of previous investor's funds also went to a company affiliated with Fichera.

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